

JUNE 2003 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>June 2003</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$193,708,405	\$1,667,180,256
Percent Change	61.9%	0.1%
Corporate Income Tax		
Net Collections	\$83,793,539	\$389,406,346
Percent Change	34.5%	12.5%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$258,857,980	\$3,027,135,359
Change	3.7%	1.8%
Total Big Three Tax Types		
Net Collections	\$536,359,924	\$5,083,721,961
Percent Change	24.2%	2.0%

TAX FACTS

June 2003

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	June 2003	June 2002	% Change
Gross Collections	\$62,895,078	\$65,416,280	(3.9)
Withholding	194,218,952	172,012,537	12.9
Refunds	(27,525,704)	(82,615,084)	(66.7)
Urban Revenue Sharing	(35,879,921)	(35,156,381)	2.1
Net Collections	\$193,708,405	\$119,657,352	61.9

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$640,628,165	\$689,703,076	(7.1)
Withholding	2,306,331,271	2,306,965,207	0.0
Refunds	(849,220,126)	(910,019,556)	(6.7)
Urban Revenue Sharing	(430,559,053)	(421,876,573)	2.1
Net Collections	\$1,667,180,256	\$1,664,772,154	0.1

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$6,051 in tax liability, \$81,018 was refunded. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

Individual Income Tax Document Count

In calendar year 2002, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	42,819	1,484,601	81,372	105,925	6	43,756	289,858	14,887	201,823	2,702	34	2,267,783
%	1.9	65.5	3.6	4.7	0.0	1.9	12.8	0.7	8.9	0.1	0.0	

In calendar year 2003 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	29,875	1,426,335	64,213	92,316	1	35,185	276,213	13,282	184,830	2,555	14	2,124,819
%	1.4	67.1	3.0	4.3	0.0	1.7	13.0	0.6	8.7	0.1	0.0	

The 2,124,819 returns, representing current and prior tax years, filed through June 2003 represents an increase of 1.2% over the June returns filed during the same period of time in 2002. For tax year 2002 filed in 2003, 2,045,690 returns have been filed a 1.0% increase over filings in June 2002 for tax year 2001.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,472,852 returns in calendar year 2003 for tax year 2002 from filers who also have returns on record from calendar year 2002 with the same marital status. On average, these filers experienced a 1.2% decrease in FAGI and a 3.5% decrease in tax liability. More specifically, 40.6% of these filers experienced a decrease in tax liability; on average a decrease of 38.3% with a corresponding average decrease in FAGI of 22.5%. Filers with an increase in tax liability totaled 692,164 or 47.0%, with an average FAGI increase of 23.6% and an average tax liability increase of 43.7%.

Average Individual Income Tax Refund

	Average	Number
2003 CYTD	\$535.41	1,364,023
2002 CYTD	\$550.75	1,342,351
% Change	(2.8%)	1.6%

"New" Filers in Calendar Year 2003

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2003. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 209,836 "new" returns have been filed thus far in 2003, representing approximately 253,495 persons, not including dependents. The average Federal Adjusted Gross Income for these 209,836 returns is \$19,633, with an average tax liability of \$306. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 19.7% had a married filing joint filing status, 7.5% claimed a 65 And Over Exemption and 34.7% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2001 was \$336.5 million, for an average of \$1,480. An additional \$67.7 million in estimated payments came from 2000 tax returns that applied their refunds as a 2001 estimated payment, for an average of \$1,817. Estimated payments received through June 2003 for tax year 2002 were as follows:

06/03	140ES payment	\$135,251	Cumulative	\$293,019,790
06/02	140ES payment	\$328,036	Cumulative	\$336,028,888
	Percent change	(58.8%)		(12.8%)
06/03	Average payment	\$3,468	Cumulative	\$1,523
06/02	Average payment	\$2,360	Cumulative	\$1,477
	Percent change	47.0%		3.1%
06/03	Applied refund	\$240,239	Cumulative	\$74,260,848
06/02	Applied refund	\$90,826	Cumulative	\$67,025,522
	Percent change	164.5%		10.8%
Total 06/03		\$375,490	Cumulative	\$367,280,638
Total 06/02		\$418,861	Cumulative	\$403,054,410
	Percent change	(10.4%)		(8.9%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2003, \$544,701,458 was received for the first quarter of 2002. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2002, which shows a decrease of 2.6% in withholding payments over the second quarter of 2001. Growth in quarters for which information is still being gathered is as follows:

3 rd Quarter 2002	(4.6%)	1 st Quarter 2003	2.9%
4 th Quarter 2002	(2.4%)	2 nd Quarter 2003	4.1%

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2003	14,478	\$4,930,088	\$340.52
Calendar Year 2002	14,723	\$4,861,928	\$330.23
% Change	(1.7%)	1.4%	3.1%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2002:

	June 2003	Calendar Year Total
Check Off	\$143,041	\$3,646,659
Voluntary Donation	\$8,236	\$54,749
Number of Returns	19,489	500,639

Contributions on the Individual Income Tax Return

Through June 2003, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	9,541	\$167,639	\$17.57
Child Abuse	10,601	\$187,609	\$17.70
Special Olympics	4,982	\$78,476	\$15.75
Neighbors Helping	2,920	\$37,755	\$12.93
AID to Education	613	\$31,280	\$51.03
Domestic Violence Shelter	7,648	\$134,520	\$17.59
Democratic Party	812	\$16,729	\$20.60
Republican Party	603	\$14,950	\$24.79
Libertarian Party	103	\$2,165	\$21.02

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	June 2003	June 2002	% Change
Gross Collections	\$86,037,542	\$65,217,688	31.9
Refunds	(\$2,244,003)	(\$2,898,029)	(22.6)
Net Collections	\$83,793,539	\$62,319,659	34.5

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$514,984,823	\$509,860,467	1.0
Refunds	(\$125,578,477)	(\$163,580,071)	(23.2)
Net Collections	\$389,406,346	\$346,280,396	12.5

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

June 2003	\$74,645,359	Calendar Year Total	\$193,324,540
June 2002	<u>\$59,706,845</u>	Calendar Year Total	<u>\$165,568,740</u>
% Change	25.0%	% Change	16.8%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for June 2003 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 0 and more	Total	% chg
June 2003	484	66	72	13	12	0	647	11.2
June 2002	442	57	69	8	6	0	582	
CY 2003	1,384	154	177	37	31	0	1,783	2.4
CY 2002	1,365	159	167	32	19	0	1,742	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 01/02 by corporate fiscal year. For example, in FY 01/02, 6.2% of the refund dollars paid were for corporate fiscal years ending in 1997 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	97 & Prior	98	99	00	01	02
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%
Corporate Fiscal Year-End:	98 & Prior	99	00	01	02	03
FY 02/03	7.0%	6.0%	7.4%	66.3%	13.1%	0.2%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

June 2003	\$1,334,753	Calendar Year Total	\$55,461,850
June 2002	<u>\$9,610,130</u>	Calendar Year Total	<u>\$55,294,824</u>
% Change	(86.1%)	% Change	0.3%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2001. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	330	36,585	50,973	324	10,797
%	0.3	37.0	51.5	0.3	10.9

Through June 2003, 67,879 documents have been received for a fiscal year-end of 2002, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	94	20,511	38,645	219	8,410
%	0.1	30.2	56.9	0.3	12.4

The figures shown above for the 2002 returns are most meaningful when compared to 2001 returns received during the same period of time in the previous year. Through June 2002, the Arizona Department of Revenue received 66,492 documents with a fiscal year-end of 2001. Compared to 2002 documents, this represents a 2.1% increase in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2002/03 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for June 2003 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	June 2003	June 2002	% change
Distribution Base	\$108,562,840	\$104,373,207	4.0
Non shared	203,813,305	198,919,696	2.5
Use Tax	17,601,352	14,816,695	18.8
Education Tax	38,623,030	36,823,242	4.9
Other Revenues	44,953,603	42,965,355	4.6
Total Collections	\$413,554,130	\$397,898,195	3.9

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Distribution Base	\$1,265,625,175	\$1,246,773,262	1.5
Non shared	2,400,432,714	2,379,509,616	0.9
Use Tax	190,186,057	162,751,987	16.9
Education Tax	447,841,034	439,004,543	2.0
Other Revenues	526,742,236	515,545,033	2.2
Total Collections	4,830,827,216	\$4,743,584,441	1.8

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	June 2003	June 2002	% change
Retained by State	\$258,857,980	\$249,734,711	3.7
Returned to Counties	43,978,806	42,281,586	4.0
Returned to Cities	27,140,710	26,093,302	4.0
Education Tax	38,623,030	36,823,242	4.9
Other	44,953,603	42,965,355	4.6
Total Collections	\$413,554,130	\$397,898,195	3.9

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Retained by State	\$3,027,135,359	\$2,972,274,262	1.8
Returned to Counties	512,703,234	505,067,501	1.5
Returned to Cities	316,405,353	311,693,101	1.5
Education Tax	447,841,034	439,004,543	2.0
Other	526,742,236	515,545,033	2.2
Total Collections	\$4,830,827,216	\$4,743,584,441	1.8

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	June 2003	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$386,926	(12.7)	\$3,154,426	9.6
Non-Metal Mining/Oil & Gas	3.125%	647,308	3.6	8,377,264	28.7
Utilities	5.6%	21,965,786	(1.1)	297,041,311	0.4
Communications	5.6%	10,536,065	(17.7)	143,474,963	(2.6)
Railroads/Aircraft	5.6%	115,631	(22.7)	(1,849,117)	N/A
Private Car/Pipelines	5.6%	91,820	(6.9)	614,514	72.3
Publishing	5.6%	418,829	(12.5)	6,671,581	61.1
Printing	5.6%	1,547,206	12.9	21,386,505	21.8
Restaurants/Bars	5.6%	29,788,272	6.8	332,751,378	3.5
Amusements	5.6%	3,256,219	(1.1)	39,133,490	5.2
Commercial Lease	0%	(1,883)	N/A	(114,140)	N/A
Rental of Personal Property	5.6%	12,831,855	(16.2)	165,988,897	(8.0)
Contracting	3.75% - 5.6%	50,643,649	0.3	578,186,318	(2.2)
Feed Wholesale	Repealed	55	N/A	(315)	96.3
Retail	5.6%	171,645,565	7.5	1,970,438,467	2.5
Mining Severance	2.5%	137,923	N/A	1,126,233	N/A
Timber Severance	\$2.13/\$1.51 per 1000 board ft	779	N/A	5,159	(62.6)
Hotel/Motel	5.5%	7,789,855	2.9	93,417,455	2.3
Membership Camping	5.6%	5,423	(49.4)	120,314	(12.2)
Use/Use Inventory	5.6%	17,601,352	18.8	190,186,057	16.9
Rental Occupancy Tax	3.0%	4,473	(77.2)	42,824	(76.1)
Jet Fuel Tax	\$.0305/\$.0105 gal	502,034	(40.0)	5,838,512	3.4
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	527,881	4.4	6,328,095	(1.0)
Poison Control Fund	----	195,244	4.4	2,340,528	(1.0)
911 Wireline/Excise	\$0.37 monthly per activated service	1,111,780	(9.1)	13,914,520	(7.2)
911 Wireless Service	\$0.37 monthly per activated service	835,674	21.0	9,596,186	38.5
Total		\$332,585,719	3.7	\$3,888,171,424	1.8

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	June 2003	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$7,738,518	(12.7)	\$63,088,526	9.6
Non-Metal Mining/Oil & Gas	20,713,846	3.6	268,072,442	28.7
Utilities	439,315,713	(1.1)	5,940,826,217	0.4
Communications	210,721,300	(17.7)	2,869,499,256	(2.6)
Railroads/Aircraft	2,312,622	(22.7)	(36,982,331)	N/A
Private Car/Pipelines	1,836,391	(6.9)	12,492,721	75.1
Publishing	8,376,579	(12.5)	133,229,181	60.8
Printing	30,944,123	12.9	427,730,090	21.8
Restaurants/Bars	595,765,449	6.8	6,655,027,562	3.5
Amusements	65,124,376	(1.1)	782,669,793	5.2
Commercial Lease	(168,531)	N/A	(7,580,922)	N/A
Rental of Personal Property	256,637,095	(16.2)	3,319,777,937	(8.0)
Contracting	1,012,872,983	0.3	11,559,109,494	(2.2)
Feed Wholesale	11,810	N/A	(67,256)	96.3
Retail	3,432,911,293	7.5	39,408,769,331	2.5
Mining Severance	5,516,913	N/A	45,049,321	N/A
Timber Severance	0	N/A	473	(99.9)
Hotel/Motel	141,633,729	2.9	1,698,499,187	2.3
Membership Camping	108,468	(49.4)	2,228,172	(18.7)
Use/Use Inventory	351,551,365	18.9	3,510,421,428	8.3
Rental Occupancy Tax	149,111	(77.2)	1,427,458	(76.1)
Total	\$6,584,073,154	3.8	\$76,653,288,080	1.4

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In June 2003, 17,239,911 gallons of jet fuel were taxed, a 39.5% decrease from the 28,477,961 reported for June 2002. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in June 2003 was \$1,636,055 a 1.4% increase from the \$1,613,455 claimed in June 2002. Accounting credits claimed-to-date in FY 02/03 equals \$18,454,041 a 1.7% increase from the \$18,147,043 claimed during the same period in FY 01/02.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<u>SIC Code Range</u>	<u>Description</u>	<u>June 2003</u>	<u>June 2002</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$228,486,710	\$199,732,370	14.4
5311-5399	general merchandise stores	240,843,345	245,627,252	(1.9)
5411-5499	food stores (no food sales)	272,087,334	263,838,554	3.1
5511-5521	motor vehicle dealers	720,225,835	605,209,721	19.0
5531-5599	misc. automotive, motorcycle & boat stores	194,200,257	169,316,667	14.7
5611-5699	apparel & accessory stores	204,004,398	193,660,990	5.3
5712-5733	furniture, home furnishings & equipment stores	174,623,667	157,218,867	11.1
5912-5949	misc. retail stores	218,998,170	211,003,841	3.8
TOTAL		\$3,432,911,293	\$3,192,914,180	7.5

<u>SIC Code Range</u>	<u>Description</u>	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2002</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$2,429,519,655	\$2,325,169,650	4.5
5311-5399	general merchandise stores	3,187,720,852	3,367,061,523	(5.3)
5411-5499	food stores (no food sales)	3,182,278,288	3,013,625,015	5.6
5511-5521	motor vehicle dealers	7,348,524,878	7,440,498,902	(1.2)
5531-5599	misc. automotive, motorcycle & boat stores	2,045,590,108	1,920,117,967	6.5
5611-5699	apparel & accessory stores	2,511,033,117	2,423,087,757	3.6
5712-5733	furniture, home furnishings & equipment stores	2,049,507,640	1,949,373,979	5.1
5912-5949	misc. retail stores	2,658,242,740	2,641,118,062	0.6
TOTAL		\$39,408,769,331	\$38,432,859,975	2.5

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for June 2003 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$219,383	\$328,782	0.7	\$3,878,392	1.8
Cochise	1,700,208	816,308	1.9	9,344,323	2.6
Coconino	3,073,450	1,218,092	2.8	13,903,149	1.5
Gila	724,087	352,534	0.8	4,058,750	(0.7)
Graham	377,144	211,436	0.5	2,381,979	0.7
Greenlee	234,827	147,964	0.3	1,750,473	(2.4)
La Paz	248,322	129,594	0.3	1,523,806	(0.1)
Maricopa	73,233,089	28,269,827	64.3	329,197,352	1.1
Mohave	2,736,471	1,171,709	2.7	13,839,979	4.1
Navajo	1,495,524	692,863	1.6	8,287,880	3.7
Pima	16,139,631	6,619,682	15.1	77,729,083	1.3
Pinal	2,170,298	1,163,211	2.6	13,328,798	6.9
Santa Cruz	695,252	293,541	0.7	3,357,505	2.5
Yavapai	3,395,960	1,491,182	3.4	17,000,259	3.0
Yuma	2,119,193	1,072,082	2.6	13,121,508	3.5
Total	\$108,562,840	\$43,978,806		\$512,703,234	1.5

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for June 2003 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during June 2003 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		\$70,414							
Cochise		\$495,504							
Coconino		\$867,151	520,046					\$208,930	
Gila	\$223,978	\$217,767							
Graham		\$108,142							
Greenlee		\$58,260							
La Paz		\$74,432	\$74,431				\$16,501		
Maricopa	\$22,791,663		\$8,440,241	\$468,726	\$1,225				\$1,416,901
Mohave		\$436,345							
Navajo		\$426,850							
Pima				\$115,212		\$8,827			
Pinal	\$731,035	\$716,067							
Santa Cruz		\$197,760							
Yavapai		\$997,626	\$398,629						
Yuma		\$658,745	\$658,601					\$658,358	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in June 2003. The table compares the receipts to June 2002 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	June 2003	June 2002	% Change
Spirituos	\$1,662,735	\$1,729,970	(3.9)
Vinous	701,369	704,245	(0.4)
Malt	1,955,092	1,944,689	0.5
Cigarette	24,002,371	13,060,923	83.7
Other Tobacco	567,788	306,631	85.2
Tobacco Licenses	2,025	2,175	(6.9)
Total	\$28,891,379	\$17,748,633	62.7

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Spirituos	\$22,004,331	\$21,574,744	2.0
Vinous	9,924,749	9,035,156	9.9
Malt	22,137,764	22,031,467	0.5
Cigarette*	206,575,174	154,031,325	34.1
Other Tobacco	5,765,674	3,553,712	62.2
Tobacco Licenses	5,950	5,250	13.3
Total	\$266,413,642	210,231,655	26.7

*Through June 2003, \$403,739 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	June 2003	FY (02/03)
Spirituos	\$1,163,914	\$15,403,031
Vinous	174,841	2,474,812
Malt	488,773	5,534,440
Cigarette	3,203,542	40,273,305
Other Tobacco	89,336	895,412
Tobacco Licenses	2,025	5,950
Total	\$5,122,431	\$64,586,950

Other dedicated revenues from luxury taxes:

	June 2003	FY (02/03)
Correction Fund revenues	\$2,426,658	\$26,626,050
Tobacco Tax & Health Care Fund ²	10,570,892	105,027,137
Tobacco Products Tax Fund ³	9,939,507	59,938,321
Wine Promotional Fund revenues	2,004	25,497
Drug Treatment & Education Fund revenues	594,194	7,306,966
Corrections Revolving Fund revenues	235,694	2,902,721

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

Estate Tax

	June 2003	\$8,272,494	Fiscal year To Date	\$94,217,919
	June 2002	<u>\$4,821,671</u>	Fiscal year To Date	<u>\$80,552,220</u>
% Change		71.6%	% Change	17.0%

Private Car

	June 2003	\$4,304	Fiscal year To Date	\$1,485,996
	June 2002	<u>\$0</u>	Fiscal year To Date	<u>\$1,509,625</u>
% Change		N/A	% Change	(1.6%)

Bingo

	June 2003	\$38,261	Fiscal year To Date	\$626,770
	June 2002	<u>\$34,642</u>	Fiscal year To Date	<u>\$629,680</u>
% Change		10.4%	% Change	(0.5%)

Unclaimed Property

	June 2003	(\$21,465,844)	Fiscal year To Date	\$6,745,652
	June 2002	<u>(\$26,108,183)</u>	Fiscal year To Date	<u>\$7,656,006</u>
% Change		17.8%	% Change	(11.9%)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2003 for Tax Year 2002
Through June 2003

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	2,190	1.0%	-\$11,279	\$3	14.5%	79.2%	4.3%	2.0%	14.7%	8.7%
\$0-\$5,000	43,966	21.0%	\$2,729	\$2	4.2%	83.0%	11.9%	0.9%	4.0%	16.9%
\$5,000-\$10,000	44,497	21.2%	\$7,379	\$24	7.4%	71.7%	19.6%	1.4%	5.8%	27.6%
\$10,000-\$15,000	31,095	14.8%	\$12,362	\$89	14.2%	55.5%	28.6%	1.8%	8.7%	39.8%
\$15,000-\$20,000	22,914	10.9%	\$17,361	\$164	20.4%	46.8%	30.3%	2.5%	9.1%	44.2%
\$20,000-\$25,000	15,814	7.5%	\$22,362	\$269	24.9%	41.0%	30.6%	3.5%	7.7%	47.8%
\$25,000-\$30,000	11,145	5.3%	\$27,381	\$395	28.6%	40.8%	27.0%	3.6%	7.5%	46.0%
\$30,000-\$40,000	13,986	6.7%	\$34,481	\$557	35.9%	37.3%	22.9%	3.9%	8.0%	46.2%
\$40,000-\$50,000	8,132	3.9%	\$44,580	\$788	47.6%	32.2%	16.9%	3.3%	10.2%	46.9%
\$50,000-\$75,000	9,760	4.7%	\$60,362	\$1,163	62.4%	24.6%	10.9%	2.1%	13.0%	46.2%
\$75,000-\$100,000	3,376	1.6%	\$85,335	\$1,816	73.4%	18.3%	6.6%	1.8%	15.5%	44.5%
\$100,000-\$200,000	2,431	1.2%	\$129,799	\$3,274	74.2%	18.3%	5.8%	1.6%	17.2%	43.5%
\$200,000-\$500,000	432	0.2%	283,535	9,446	71.1%	20.0%	6.4%	2.5%	20.0%	38.8%
\$500,000-\$1,000,000	69	0.0%	669,000	28,206	60.0%	25.7%	10.0%	4.3%	14.3%	42.9%
\$1,000,000 and over	29	0.0%	1,686,794	74,719	62.1%	24.1%	10.3%	3.4%	24.1%	20.7%
Total	209,836		\$19,633	\$306	19.7%	57.4%	20.9%	2.0%	7.5%	34.7%

NEW RETURNS FILED IN 2002 FOR TAX YEAR 2001

Total	233,775		\$19,905	\$332	20.5%	57.1%	20.2%	2.2%	7.9%	34.3%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
June 2003

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,797,011	202,705
Eagar	\$35,753	4,033	Surprise	273,472	30,848
Springerville	17,482	1,972	Tempe	1,406,235	158,625
St. Johns	31,454	3,548	Tolleson	44,095	4,974
<u>Cochise County</u>			Wickenburg	45,053	5,082
Benson	41,764	4,711	Youngtown	26,684	3,010
Bisbee	53,989	6,090	<u>Mohave County</u>		
Douglas	146,479	16,523	Bullhead City	299,367	33,769
Huachuca City	15,523	1,751	Colorado City	29,556	3,334
Sierra Vista	334,881	37,775	Kingman	177,915	20,069
Tombstone	13,333	1,504	Lake Havasu City	371,787	41,938
Willcox	33,094	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	43,590	4,917
Flagstaff	468,913	52,894	Pinetop-Lakeside	31,755	3,582
Fredonia	9,184	1,036	Show Low	68,217	7,695
Page	60,363	6,809	Snowflake	39,539	4,460
Williams	25,195	2,842	Taylor	28,156	3,176
<u>Gila County</u>			Winslow	84,396	9,520
Globe	66,365	7,486	<u>Pima County</u>		
Hayden	7,908	892	Marana	120,176	13,556
Miami	17,163	1,936	Oro Valley	263,295	29,700
Payson	120,743	13,620	Sahuarita	28,741	3,242
Winkelman	3,927	443	South Tucson	48,670	5,490
<u>Graham County</u>			Tucson	4,314,662	486,699
Pima	17,634	1,989	<u>Pinal County</u>		
Safford	81,843	9,232	Apache Junction	282,036	31,814
Thatcher	35,656	4,022	Casa Grande	223,615	25,224
<u>Greenlee County</u>			Coolidge	69,024	7,786
Clifton	23,014	2,596	Eloy	91,976	10,375
Duncan	7,199	812	Florence	128,243	14,446
<u>La Paz County</u>			Kearny	19,938	2,249
Parker	27,837	3,140	Mammoth	15,620	1,762
Quartzsite	29,734	3,354	Superior	28,847	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	318,108	35,883	Nogales	185,087	20,878
Buckeye	75,327	8,497	Patagonia	7,810	881
Carefree	25,948	2,927	<u>Yavapai County</u>		
Cave Creek	33,049	3,728	Camp Verde	83,785	9,451
Chandler	1,565,418	176,581	Chino Valley	69,458	7,835
El Mirage	67,455	7,609	Clarkdale	30,337	3,422
Fountain Hills	179,386	20,235	Cottonwood	81,373	9,179
Gila Bend	17,553	1,980	Jerome	2,917	329
Gilbert	972,481	109,697	Prescott	300,866	33,938
Glendale	1,939,802	218,812	Prescott Valley	208,641	23,535
Goodyear	167,649	18,911	Sedona	90,354	10,192
Guadalupe	46,347	5,228	<u>Yuma County</u>		
Litchfield Park	33,776	3,810	San Luis	135,832	15,322
Mesa	3,513,926	396,375	Somerton	64,414	7,266
Paradise Valley	121,133	13,664	Wellton	16,214	1,829
Peoria	960,664	108,364	Yuma	687,182	77,515
Phoenix	11,711,268	1,321,045			
Queen Creek	38,262	4,316	TOTAL	\$35,879,921	4,047,298

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
June 2003

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,359,205	202,705
Eagar	\$27,043	4,033	Surprise	206,846	30,848
Springerville	13,223	1,972	Tempe	1,063,634	158,625
St. Johns	23,791	3,548	Tolleson	33,352	4,974
<u>Cochise County</u>			Wickenburg	34,077	5,082
Benson	31,589	4,711	Youngtown	20,183	3,010
Bisbee	40,835	6,090	<u>Mohave County</u>		
Douglas	110,792	16,523	Bullhead City	226,432	33,769
Huachuca City	11,741	1,751	Colorado City	22,356	3,334
Sierra Vista	253,294	37,775	Kingman	134,569	20,069
Tombstone	10,085	1,504	Lake Havasu City	281,208	41,938
Willcox	25,031	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	32,970	4,917
Flagstaff	354,672	52,894	Pinetop/Lakeside	24,019	3,582
Fredonia	6,947	1,036	Show Low	51,598	7,695
Page	45,657	6,809	Snowflake	29,906	4,460
Williams	19,057	2,842	Taylor	21,296	3,176
<u>Gila County</u>			Winslow	63,835	9,520
Globe	50,196	7,486	<u>Pima County</u>		
Hayden	5,981	892	Marana	90,898	13,556
Miami	12,982	1,936	Oro Valley	199,148	29,700
Payson	91,327	13,620	Sahuarita	21,739	3,242
Winkelman	2,970	443	South Tucson	36,812	5,490
<u>Graham County</u>			Tucson	3,263,479	486,699
Pima	13,337	1,989	<u>Pinal County</u>		
Safford	61,904	9,232	Apache Junction	213,323	31,814
Thatcher	26,969	4,022	Casa Grande	169,135	25,224
<u>Greenlee County</u>			Coolidge	52,208	7,786
Clifton	17,407	2,596	Eloy	69,568	10,375
Duncan	5,445	812	Florence	96,999	14,446
<u>La Paz County</u>			Kearny	15,080	2,249
Parker	21,055	3,140	Mammoth	11,815	1,762
Quartzsite	22,490	3,354	Superior	21,819	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	240,607	35,883	Nogales	139,994	20,878
Buckeye	56,975	8,497	Patagonia	5,907	881
Carefree	19,627	2,927	<u>Yavapai County</u>		
Cave Creek	24,997	3,728	Camp Verde	63,372	9,451
Chandler	1,184,035	176,581	Chino Valley	54,762	8,167
El Mirage	51,021	7,609	Clarkdale	22,946	3,422
Fountain Hills	135,682	20,235	Cottonwood	61,548	9,179
Gila Bend	13,277	1,980	Jerome	2,206	329
Gilbert	735,555	109,697	Prescott	227,566	33,938
Glendale	1,467,207	218,812	Prescott Valley	157,810	23,535
Goodyear	126,805	18,911	Sedona	68,341	10,192
Guadalupe	35,055	5,228	<u>Yuma County</u>		
Litchfield Park	25,547	3,810	San Luis	102,739	15,322
Mesa	2,657,827	396,375	Somerton	48,721	7,266
Paradise Valley	91,622	13,664	Wellton	12,264	1,829
Peoria	726,617	108,364	Yuma	519,764	77,515
Phoenix	8,858,048	1,321,045	TOTAL	\$27,140,710	4,047,630
Queen Creek	28,940	4,316			

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